

SOUTH CENTRAL LOUISIANA TECHNICAL COLLEGE
LOUISIANA COMMUNITY AND TECHNICAL
COLLEGE SYSTEM
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
PROCEDURAL REPORT
ISSUED DECEMBER 24, 2014

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

December 24, 2014

The Honorable John A. Alario, Jr.,
President of the Senate
The Honorable Charles E. "Chuck" Kleckley,
Speaker of the House of Representatives
Mr. Earl W. Meador, Director,
South Central Louisiana Technical College,
Louisiana Community and Technical College System

Dear Senator Alario, Representative Kleckley, and Mr. Meador:

This report includes the results of our procedures at South Central Louisiana Technical College (College) for the period from July 1, 2012 through June 30, 2014. Our objective was to evaluate certain controls that the College uses to ensure accurate financial reporting and transparency, compliance with applicable laws and regulations, and to provide overall accountability for public funds. I hope the information in this report will assist you in your legislative and operational decision-making processes.

We would like to express our appreciation to the management and staff of the College for their assistance during our work.

Sincerely,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

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SCLTC14

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE

South Central Louisiana Technical College

December 2014



Audit Control # 80140035

Introduction

The primary purpose of our procedures at South Central Louisiana Technical College (College) was to evaluate certain controls that the College uses to ensure accurate financial reporting and transparency, compliance with applicable laws and regulations, and to provide overall accountability for public funds.

The mission of the College is to prepare individuals for improved quality of life, workforce success, and lifelong learning while addressing the needs of business and industry. The College has three campuses and an instructional service center that offer certificates, diplomas, and associate degrees.

Results of Our Procedures

We evaluated the College's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to the College. Based on the documentation of the College's controls and our understanding of related laws and regulations, we performed procedures on selected controls and transactions relating to the implementation of the new Banner accounting system, student tuition and fee revenues, and student financial aid.

Implementation of New Banner Accounting System

Banner is an enterprise resource planning system designed specifically for colleges and universities. The College implemented the Banner Finance module in fiscal year 2012, followed by the Student and Human Resource (HR) modules in fiscal year 2013. We performed procedures to ensure that access to financial data was authorized and necessary for business purposes; access within the Finance and HR modules was adequately segregated; time sheet approvals were properly set up in the HR module for department heads; and accounting periods were closed timely. We determined that the College properly implemented these controls over Banner.

Student Tuition and Fee Revenues

Based on risks identified at the Louisiana Community and Technical College System (System), we obtained a basic understanding of the College's controls over tuition and fee revenues and performed a walkthrough of selected transactions to ensure that controls were in place for tuition charges and refunds to students. Our procedures included a review of the College's policies, the reconciliation of the student account receivable module in Banner, and the fee tables set in Banner. We determined that the College properly implemented controls over student tuition and fees.

Student Financial Aid

Based on risks identified at the System, we obtained a basic understanding of the College's internal control over compliance requirements applicable to the federal Pell student financial aid program. Our procedures included a walkthrough of select transactions to determine if the College implemented certain controls over federal compliance requirements including eligibility and verification, disbursements to students, and returns to the federal grantor. We determined that the College properly implemented controls over student financial aid.

Trend Analysis

We compared the most current- and prior-year financial activity using the College's annual fiscal reports and/or system-generated reports to identify trends and obtained explanations from the College's management for significant variances. We also prepared an analysis of revenues, expenses, and enrollment over the last five years.

In analyzing financial trends over the past five years, the College has become more dependent on tuition and fees as federal revenues and state appropriations have decreased. The College had a decline in enrollment and corresponding revenues in 2012 as a result of Hurricane Isaac, but enrollment and revenues have been steadily increasing since 2012. In 2014, tuition and fee revenues increased 66% in large part because of the increases in the specialized Marine Safety training courses offered at the College. The training is provided through the Marine/Oil and Gas Center of Excellence on the College's Young Memorial Campus to meet the needs of offshore workers and employers. In the past year, management reported that the Center issued 3,783 maritime and petroleum safety certificates.

Exhibit 1
Five-Year Revenue Trend

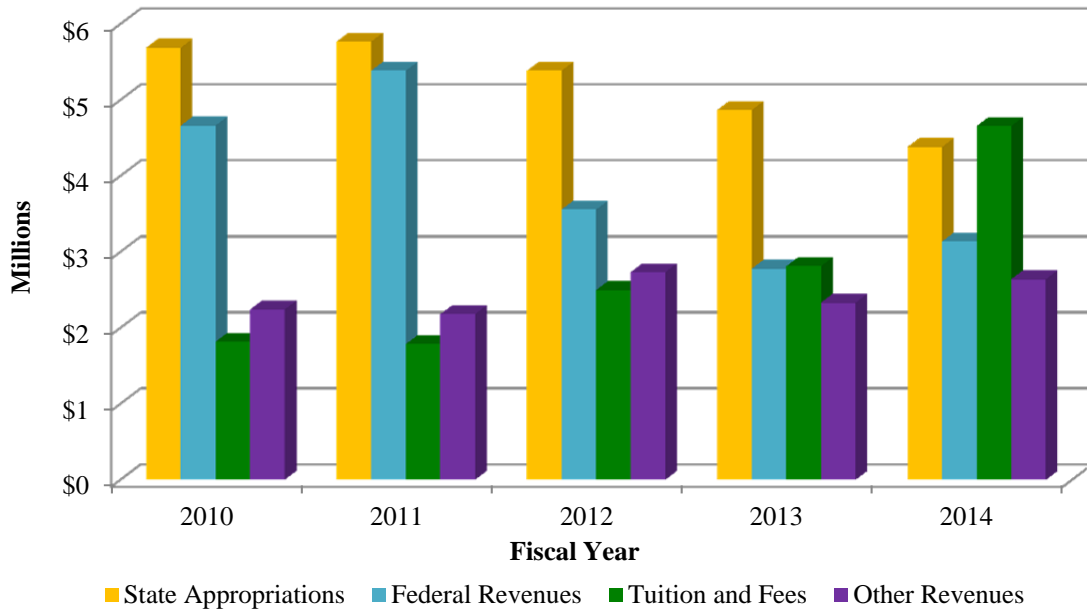
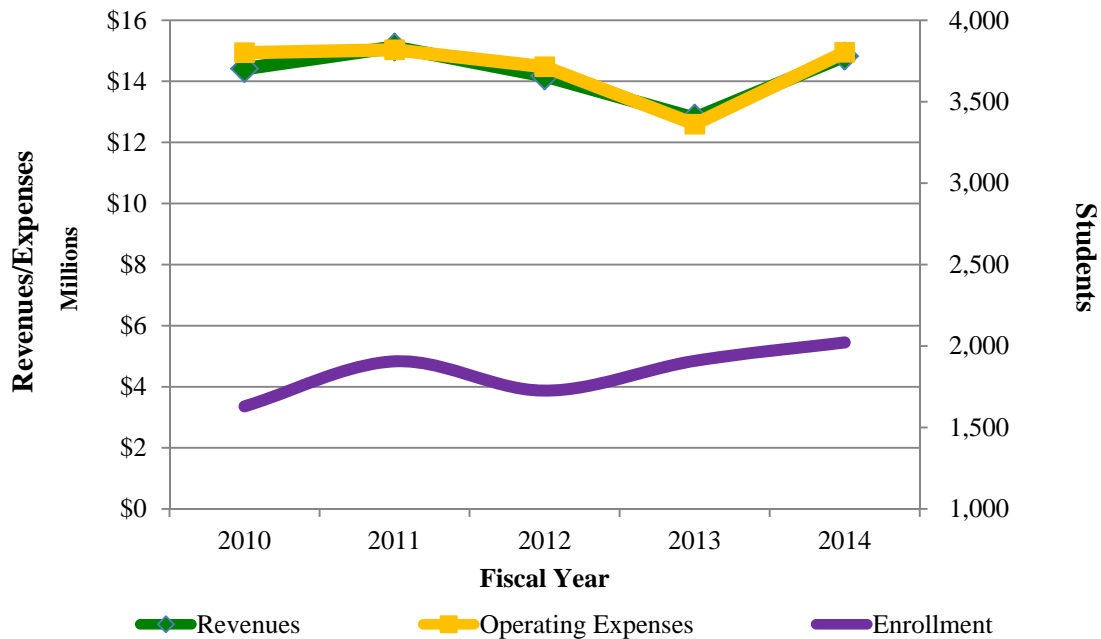


Exhibit 2
Fall Enrollment Trend Analysis



Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at South Central Louisiana Technical College (College) for the period from July 1, 2012 through June 30, 2014. Our objective was to evaluate certain controls that the College uses to ensure accurate financial reporting and transparency, compliance with applicable laws and regulations, and to provide overall accountability for public funds. The scope of our procedures, which are summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

- We evaluated the College's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to the College.
- Based on the documentation of the College's controls and our understanding of related laws and regulations, we performed procedures on selected controls over the new Banner accounting system, student tuition and fees, and student financial aid.
- We compared the most current- and prior-year financial activity using the College's annual fiscal reports and/or system-generated reports to identify trends and obtained explanations from the College's management for significant variances that could potentially indicate areas of risk.

We did not audit or review the College's Annual Fiscal Reports and, accordingly, we do not express opinions on those reports. The College's accounts are an integral part of the Louisiana Community and Technical College System's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.